

DEVELOPMENT COORDINATION

A. Major Development Partners: Strategic Foci and Key Activities

1. In the transport sector in Viet Nam, the Asian Development Bank (ADB) focuses on the road, railway, and urban transport subsectors; and capacity development of the Ministry of Transport and its line agencies. ADB's major development partners are the World Bank, the Japan International Cooperation Agency (JICA), Australian Department of Foreign Affairs and Trade (DFAT), Agence Française de Développement (AFD), and Korean Exim Bank

2. The urban transport subsector has been supported by ADB, the World Bank, and the European Investment Bank (EIB), as well as by bilateral aid from France, Germany, Japan, the Netherlands, the People's Republic of China, and Spain, which have contributed to sector development. Major support for urban transport has focused on roads and urban rail, absorbing over 90% of all assistance, with other areas of support being other public transport and institutional capacity development. Assistance for urban public transport has been in the form of both technical assistance and lending to the government, covering master plan development, bus and mass rapid transit or metro systems, the integration of multimodal infrastructure, and institutional reforms.¹

3. In Ha Noi, the Japan Bank for International Cooperation helped to develop an urban transport master plan,² which the prime minister approved in 2009. Four priority metro lines are being prepared and are expected to be operational by 2020. ADB will provide \$293 million for the Ha Noi Metro Rail System Project (Line 3: Nhon-Ha Noi Station Section), with cofinancing of \$500 million from AFD, EIB, and the Government of France. The four priority metro lines will provide the backbone of an integrated multimodal network in Ha Noi. ADB will consider further financing the extension of metro line 3 in 2018.

4. The ADB loan includes a major study of integrated sustainable urban transport that will further develop the Ha Noi public transport system through (i) demand forecasting and integrated fares and ticketing, (ii) bus service restructuring and intermodal facilities, and (iii) sustainable transport policy development. With cofinancing under the Clean Technology Fund, the proposed project will further develop specific policies and regulations for street and footpath management, parking, enforcement, and transport pricing to support the development of a cost-effective and integrated public transport system.

5. For urban public transport, technical assistance includes developing operation and maintenance entities for metro systems, developing integrated stations, integrated ticketing, capacity building and support for metro implementation, developing a public transport authority, and facilitating public-private participation in urban transport. International financing institution lending has been provided for the development of four MRT lines in Ha Noi and three in HCMC, and three bus rapid transit lines in both Ha Noi and HCMC. Most assistance is in either Ha Noi or HCMC but some assistance is provided in the larger secondary cities of Hai Phong and Da Nang.

¹ Mass rapid transit and metro are different terms to describe a heavy urban rail system.

² Japan International Cooperation Agency. 2004. *The Study on Urban Transport Master Plan and Feasibility Study in Ho Chi Minh Metropolitan Area (HOUTRANS)*. Ho Chi Minh City; ALMEC.

Major Development Partners

Development Partner	Project Name	Duration	Amount
Transport and Information and Communication Technology (urban transport)			
ADB, EIB, KfW	HCMC Urban MRT Line 2	2009–2019	\$1.38 billion
JBIC	HCMC MRT Line 1	2008–2018	¥20.90 billion
Government of Spain, ADB, EIB	HCMC MRT Line 5	2012–2023	\$1.30 billion
ADB, AFD, DGTPE, EIB	Hanoi Pilot Light Metro Line 3	2005–2018	\$1.42 billion
JBIC	Hanoi Metro Line 1	2008–2019	¥4.70 billion
JBIC	Hanoi Metro Line 2	2006–2019	¥14.70 billion
PRC	Hanoi Metro Line 2A	2008–2015	\$0.80 billion
World Bank	Hanoi Urban Transport Development Project	2007–2015	\$165.00 million
World Bank	Hai Phong Urban Transport Project	2008–2015	\$89.00 million
GTZ, KfW	Da Nang Urban Development Project	2008–2012	\$65.00 million

ADB = Asian Development Bank, AFD = Agence Française de Développement, DGTPE = Direction Générale du Trésor et de la Politique Économique, EIB = European Investment Bank, GTZ = Gesellschaft für Technische Zusammenarbeit, HCMC = Ho Chi Minh City, JBIC = Japan Bank for International Cooperation, PRC = People's Republic of China.

Source: ADB, JICA, and World Bank publications.

B. Institutional Arrangements and Processes for Development Coordination

6. The annual consultative group meetings, which are cochaired by the Ministry of Planning and Investment and the World Bank, are the main platform for the government and development partners to review progress and issues related to socioeconomic development and official development assistance. Transport partnership group meetings, organized by JICA, are held every 6 months to discuss development issues in the transport sector. In the recent group meetings, the medium- to long-term transport strategies of the government and development partners have been discussed. The meeting members agreed that Viet Nam still has a large financing gap to meet the urgent needs in urban transport to sustain its socioeconomic development.

7. The coordination of urban transport is through city people's committees, which are responsible for all transport within city limits. In the two major cities, Ha Noi and HCMC, other central government departments³ have planning and implementation control of major infrastructure developments, and a national steering committee controls coordination. Separate authorities or agencies have been established to implement and operate the different transport modes, and in both cities a public transport authority is proposed to be established to ensure the integration of all modes.⁴

8. International financiers coordinate urban transport support through informal meetings on projects or modalities, usually meeting every quarter. The urban transport subsector is moving toward a program-based approach but at a project level, with leadership by city people's committees through approved urban transport master plans that provide a comprehensive plan and coordination objectives. However, formal development coordination and harmonization are limited, as is the use of local systems. Ha Noi city recently established an urban transport

³ Viet Nam National Railways, Viet Nam National Railway Authority, and the Ministry of Transport.

⁴ In Ha Noi, the public transport authority is being established with technical assistance from the World Bank.

steering committee in advance of formal establishment of a public transport authority. With major investments over the next 5 years, these weak areas are expected to be strengthened in stages to ensure that a program-based approach is used in the long term for project loans for urban transport development in major cities.

9. The project supports ongoing partnerships with other cofinancing arrangements and cooperation that extend beyond the project level into development in other cities, and also through the integration of common issues that affect separate projects financed by different development partners. In urban rail, this includes coordinating operation and maintenance, ticketing, and fare systems and coordination at interchange stations, including multimodal interchanges. At an institutional level, development partners generally support a common approach to policy and organizational reforms needed to ensure the establishment of sustainable integrated public transport. The coordination of technical assistance among financiers is well established, with duplication of effort on common issues largely avoided.

C. Achievements and Issues

10. Urban transport master plans with the objective of expanding public transit network capacity to meet up to 40% of demand have been approved. An improved urban transit network is vital to meet growing travel demand. Demand for urban transit will be met by metro lines along major urban corridors, with some to be extended in the future to regional growth centers, and significant expansion of the bus network, including bus rapid transit lines. To ensure growth in urban transit ridership, all urban transit should be integrated at common terminals or multimodal transfer points; have coordinated bus and rail schedules; and have common standards for operations, safety and emergency services, and maintenance, including of ticketing systems.

11. The project is ADB's fourth intervention in urban transport in Viet Nam since 2010. ADB has closely coordinated with development partners to properly address emerging urban transport issues in its loan projects and technical assistance. Although there have been no previous urban transport achievements to build on (as previous projects are still being implemented), the project has worked with the government and Ha Noi People's Committee to ensure that a comprehensive multimodal and integrated approach will be developed through technical assistance and mobilizing significant global climate change funds.

D. Summary and Recommendations

12. The project aligns with the government's master plan for urban transport development, which includes improving priority metro lines in Ha Noi to achieve long-term public transport targets, and will support the integration of the public transport system. The project will coordinate with cofinanciers for metro line 3 and work with development partners to ensure common approaches to issues that affect all public transport.

13. The intervention is a comprehensive and well-coordinated approach to urban transport. This type of coordinated and integrated approach to multiple related issues should be adopted for future interventions in urban transport in Ha Noi and other major cities in Viet Nam.